MUST REFUND MILLIONS IN 1

MISAPPLIED

Stock Dividends, Levied Upon for Years, Are Really Exempt.

Washington, March 8 .- Stock dividends may not be taxed as income, the supreme court held today in declaring unconstitutional the visions of the 1916 income tax act taxing as income such dividends declared by corporations out of earnings and profits accruing after March 1, 1913.

The court divided five to four. Justice Pitney rendering the majority opinion, Justices Holmes and Day joining in one dissenting opinand Justices Clarke and Brandels in another.

Must Refund Millions.

Under the court's ruling, the federal government must refund millions of dollars in taxes collected on stock dividends since the 1916 law became effective. Internal the exact total of the refunds could not be estimated at this time and that it would not be known until all claims had been filed and com-

Most Important Ruling.

The court upheld federal court decrees denying the authority of awarding to Myrtle H. Macomber \$1,367 which she had paid under protest on 1,100 shares of new stock received in January, 1915, as stock dividend from the Standard Oil company of California. The case was one of a series in which J. P. Morgan, Herbert L. Pratt and others had questioned the validity

Court officials said the case was one of the most important at this term and that determination of the estion involved affects thousands

Held Not a Dividend.

distributed except paper certificates armistice. that evidence an antecedent increase in the value of the stockders' capital interest resulting are current concerning from an accumulation of profits by the company, but profits so far absorbed in the business as to render it impracticable to separate them or withdrawal and distribution.

rather to postpone such realization, in that the fund represented new stock has been translonger is available for actual

"The essential and controlling fact is that the stockholder has received nothing out of the company's assets for his separate use dollar of his original investment together with whatever accretions and accumulations have resulted from employment of his money and that of the other stockholders in the business of the company still reand subject to business risks which may result in wiping out the entire lavestment. Having regard to the very truth of the matter, to substance and not to form, he has received nothing that answers the of he 16th amedment.

Takes Nothing: Gives nothing. "We are clear that not only does stock dividend really take nothng from property of the corporanothing to that of the shareholder, but that the antecedent accumulation of profits evidenced thereby, while indicating that the shareholder is the richer because of an increase of his capital, at the e time shows he has not realiz-

ed or received any income in the Taxable If Sold. is said that a stockholder may sell the new shares acquired from 11th story window of a down the stock dividend; and so he town hotel. may, if he can find a buyer. It is qually true that if he does sell, and in doing so realizes a profit, MARSHALL NOT come, and so far as it may have arisen since the 16th amendment, is tarable by congress without appor-tionment. The same would be true were he to sell some of his original bares at a profit. But if a share boider sells dividend stock he nec searily disposes of a part of his apital interest, just as if he should sell a part of his old stock, either before or after the dividend. What letains no longer entitles him the same proportion of future this as before the sale. Yet, ithout selling, the shareholder, unsale possessed of other resources, as not the wherewithal to pay an account of the sale of the sale. other tax on the dividend stock. as could more clearly show

PRICE OF COAL HITS ENGLAND'S FREIGHT SHIPS

Necessary at Present

London, March 8.—Freight rates on ocean shipping from England would be increased at least 50 per cent by a movement now in prog-ress, says the London Times, in order to meet the high cost of bunker coal here.

bunker coal here.

Coal in the port of London this week will cost 55 shillings per ton, compared with 15 to 19 shillings before the war. This coal can be secured by industrial plants in the United Kingdom for 40 shillings

Order French Strike.

Paris, March 8.—The congress of miners at Lethune has decided that recent wage advances were not sufficient and has voted 160 to

Claimed, To Protect Armenians Hereafter.

Paris, March 8.-Constantinople is actually occupied by allied troops under provisions of the armistice, says the Petit Parisen congress to tax stock dividends and today, which claims that city is the electric chair March 11 for the headquarters of General Franchet murder of the little Hardman girl. d'Esperey, and there are in the city one division and one brigade of French troops, or about 15,000 or 16,000 men.

In addition there are in Constantinople one regiment of Italians and a battalion of British troops and other British forces in the region of the straits.

Prepare for Trouble. London, March 8.—While definite news of allied occupation of Constantinople is still awaited, it is stated in some quarters that this operation is rendered all the more Justice Pitney, in his majority inevitable owing to the informa-pinion, said a stock dividend "is tion that Mustapha Kemal Pasha, nessence not a dividend but rather the Turkish Nationalist leader, is strengthening his forces in Asia "No part of the assets of the Minor and that Turkish bands are company is separated from the concentrating in eastern Thrace in common fund," he said, "nothing contravention to the terms of the

> In the absence of an official announcement, contradictory rumors spective attitudes of Great Britain. France and Italy toward coercive

Premier Lloyd George announce ed in the house of commons today which more than 50,000 applica-"Far from being a realization of that prompt measures had been profits of the stockholder, it tends taken by the French government to send reinforcements to General the French forces in the east, for ferred from surplus to capital, and the purpose of reestablishing his Frank H. Hitchcock, who arrived position and preventing further attacks on Armenians.

> Who's Going to Do It? Commenting upon unconfirmed reports that British troops and seamen have actually occupied Constantinople, the London Times

"Cardinal Gibbons, James Gerard, former American ambas-sador at Berlin, and other notable Outside the meeting room, however. Americans demand that the Turk the corridors were buzzing as a rebe expelled from Constantinople sult of the chairman's statement and that Armenia from Ararat to reiterating that "the duty of the the sea be given the fullest auton- national committee is to elect the omy. This manifestation of the candidate and not select him." American opinion will be exceedingly welcome to the allies, but we do not observe that it contains any proposal for American that the general had the support of assistance in carrying out the policy which is approved. Allied peo ples will not hear of schemes which involve the sacrifice of more mone and blood except for objects which constrain them in conscience and

JUMPS FROM HOTEL

WINDOW TO DEATH Detroit, March 8.-Charles J Rogers of St. Louis, said to be a insurance company representa-tive, was instantly killed this

Phoenix, Ariz., March 8. - Vice President Marshall declared today partment of agriculture as follows: that he was not to be considered a candidate for the Democratic nom- 37.04 per cent of the 1919 crop, ination for president. "In fact," he compared with 855,269,000 bushels, said. "I intend to retire from publor 34.2 per cent a year ago. lic office when my present term Wheat—165.539,000 bushels, or expires.

Heover Says No. San Francisco, Cal., March 8. Herbert Hoover will not permit his name to be used in the California presidential primary as he is not a bush candidate for the office, according ago. tax a capital increase and not in-come, than this demonstration that to a telegram from him received here today by Gavin McNab to the tome, than this demonstration in the nature of things it requires to order to to a telegram from him received Barley, 38,010,000 bushels or 22.9 three years Saul Bronerwine, one to the years Saul Bronerwine, one to three years Saul Bronerwine, one to three years Saul Bronerwine, one to three years Saul Bronerwine, one to the years Saul Bronerwine, one to three years Saul Bronerwine, one to the years Saul Bronerwine, one to three years Saul Bronerwine, one to the years Saul Bronerwine, years Saul Bronerwine,

LAW OF 1916 Rate Increase of 50 Cents TELLS ABOUT CRIMES

Lockett, Cause of Lexington Riot, Murderer of Several Women.

Eddyville, Ky., March 8.—Will Lockett, slayer of Geneva Hardman, 10 years old, and central figure in the riots at Lexington Feb. 9, today confessed to the murder of two other persons, the probable murder of a third and another frustrated attempt. All his victims were women.

Each was strangled except the Hardman child whose head he crushed with a stone. One in Illinois.

Lockett's victims, he told Warden Chilton in his cell in death row of ed Europe's virtual bankruptcy, the Eddyville penitentiary, were a was criticised. white woman whom he attacked and killed at the junction of the Louisville & Nashville and Big Four railroads at Carmi, Ill., in 1912 or saulted and left for dead at Govrevenue bureau officials said today Full Measures Being Taken, It Is ernor and Canal streets, Evansville Ind., in 1917, and a woman of whose color he was in doubt, assaulted and choked to death near Camp Zachary Taylor, Louisville, in February, 1919, while he was in the army

> Dies March 11. Lockett is condemned to die in

G. O. P. CONFAB

Republican national convention. June 8, are to be completed today by the convention committee of chairman.

ing temporary chairman, will not take over farms. he selected for 60 days, however, While he approved in principle a Democratic leader.
Will H. Hayes, national chairman, land settlement scheme, Colonel Under the agreem Jones said it should not be conannounced following the monthly informal meeting of the national states are here for the conference, The principal work before the convention committee is the apportions have already been received.

The convention and national committeemen were guests of Fred Gouraud, commander-in-chief of H. Upham, national committee treasurer, at a luncheon this noon this morning to take an active par in the campaign for General Leonard Wood, also attended the lunch-

> "Accord" Not Complete. Chairman Hays announced following the national committee meeting that the outstanding development was the complete accord

The statement was taken as an answer to claims advanced some supporters of General Wood the national chairman.

ABANDON VESSEL EAST OF DELAWARE

New York, March 8 .- The American schooner Eva B. Douglas was abandoned 150 miles east of Delaware capes, according to a radio message from the steamer Vasaria which picked up the Douglass

tive, was instantly killed this morning when he fell or jumped ON FARMS NOW THAN YEAR AGO

Washington, March 8, amount of grain on (arms March 1. was announced today ly the de-Corn-1,092,095,000 bushels, or

17.6 per cent, compared with 128-703,000 bushels or 14.0 per cent a year ago.

BE BOSSES IN **OWN DOMICILES URGED ON MEN**

Bishop Blames Masculine NOT Weakness for Exotic Fashions.

Boston, March 8.—Growing weak ness on the part of the men of the country is developing a sinister feminism, Cardinal O'Connell told gathering of men at the Cathedral of the Holy Cross last night. Man, as the head of the house, he said, should assert his proper authority in the home.

Failure to do this, the cardinal asserted, leads to a false feminism, which unless it is curbed in time, will have disastrous results for humanity.

how a father could "look on and his children, especially the girls, running rampant without any consideration for modesty." Headship of the family, he said, meant the morals of the whole family.

The evil of extravagant expenditure which, he predicted, would cause a financial reaction in America similar to that which has caus-

HOLDS LEGION PLAN FOR MEN IS YET CRUDE

Washington, March S .- A serious mistake was made by the American Legion in presenting its proform in which it did, the house ways and means committee was told today by Colonel E. Lester Jones, a member of the legion's executive committee. He said the executive committee definite and sane policy" for presentation to congress in a "quiet and respectful way."

Colonel Jones said he believed the legion also should present a weil considered scheme for financing any plan it proposed. Farms Near Cities.

The witness said that in making which A. T. Hert of Kentucky, is an estimate some months ago he had found that about 350,000 former Officers of the convention, includ-I soldiers desired an opportunity to

fined to vacant public lands or recommittee. Committeemen from 30 mote cut-over lands in the south and west, but that vacant lands in the vicinity of the cities should be condemned and purchased for sol-

STATE DEMOS. MEET MAY 10 IN SPRINGFIELD

Chicago, March 8 .- Springfield was chosen as the convention city held as binding the United States for the state Democratic gathering until the same shall have been acon May 10, by the Democratic state central committee here today.

960 delegates, the representation being determined by the vote of ed States is threatened with inva-1916 in the state. Each 1,000 voters will be represented by a dele-Cook county will have, 380 SENATORS STILL delegates. The convention will select eight

delegates at large and eight alternates to the San Francisco national convention and four presidential

IN ITS GROWTH

Washington, March 8 .- Population statistics for 1920 announced today by the census bureau included:

Lewiston, Me., 31,707, an increase of 5,460, or 20.8 per cent. Everett, Wash., 27,614, an in-rease of 2,800, or 11.3 per cent. Population announcements for 1920 issued by the census bureau Saturday night were:

Toledo, Ohio, 243,109, an in-crease of 74,612, or 44.3 per cent over 1910. Charlotte, N. C., 46,318, an increase of 12,304, or 36.2 per cent.

CHRISTMAS WOOD ALCOHOL AGENTS GO BEHIND BARS

Oats 422,815,000 bushels, or 39.0 an Salzberg was given a prison the British government to barter per cent, compared with 590,251,000 sentence of from eight to twelve or sell any part of the British West bushels, or 38.4 per cent a year years; Frank Rose, three to five Indies. years: Saul Bronerwine, one to. The premier declared that the wet build three years Saturday. The four inhabitants of the West Indes Rel. humidity ...65

LODGE FORM

Silent, However, as to the Taft Reservation to Article X.

Washington, March 8 .- President Wilson will state his position on or humanity.

Cardinal O'Connell questioned the Lodge reservation to article 10 ted by Senators Pittman and Tramprobably today, it was announced at the White house.

His attitude on this and other reservations will be outlined in a braska, the administration leader.

He will not see Senator Simmons, Democrat, North Carolina, as requested by Senator Hitchcock, but will write Senator Simmons, telling him the matter is sufficiently covered in his reply to Hitch-

Put in Final Form.

The president's letter to Senator Hitchcock was put in final form this morning. In it the president was said to have made his position equally as clear as he did in his conference with Senator Glass of

Virginia two weeks ago.

Administration officials said the president would not accept the Lodge reservation to article 10. They disclosed that he had discussed the so-called Taft reservation to article 10 with Senator Glass and that while he had not stated his posals for soldier relief in the approval of it, he did not say he would not accept it.

Limit Debate.

On motion of Senator Lodge, the Republican leader, the senate agreed today to limit debate on all remaining reservations to the peace semble this month and that he pro- treaty except those relating to Arposed to suggest that it formulate "a ticle X, and to voting power in the League of Nations.

As a result Senator Borah, Republican, Idaho, withdrew his pre-vious announcement that he would move today to proceed at once to a vote on article X. As first suggested by Senator

Lodge the limitation would have applied to all of the reservations except that dealing with article X but the voting power reservation was excluded at the request of Senator' Hitchcock of Nebraska, the

no senator can speak more than 20

Approve of Change.

A modified reservation affirming national control over armaments was adopted, 49 to 26. Nine Democrats, Chamberlain, Oregon; Gore, Oklahoma: King, Utah: Kirby, Ar- Jugo-Slavia themselves be permitkansas; Nugent, Idaho; Phelan, ted to settle the Adriatic dispute. California; Reed, Misso Shield, Tennessee; and Smith, Georgia,

The reservation as amended on motions of Senators New, Republican, Indiana, and McCormick, Illinois, follows:

"No plan for the limitation of armaments proposed by the council of the League of Nations under the of article 8, shall be cepted by congress, and the United States reserves the right to in-The convention will be made of creaselts armament without consent of the council whenever Unitsion, or engaged in war.'

HESITATING OVER NAMING OF COLBY

Washington, March 8 .- Action on the nomination of Bainbridge Colby to secretary of state was deferred again today by the senate foreign relations committee. Questions raised in connection

with his confirmation was discuss-ed for an hour, and it was said that neither the Democratic nor Republican members took the initiative in urging action. mittee probably will meet again to-

Ottumwa, Iowa, 23,003, an in-crease of 991, or 4.5 per cent over BRITISH WON'T **GIVE UP ISLES** TO PAY DEBTS

London, March 8 - Premier 0 West Indies be transferred to the above. United States in payment of part of the British debt to that country. stated that there was not the Hartford, Conn., March 8-Nath- slightest intention on the part of

onversion of capital in order to Democratic state committee meet-i bushels, or 31.9 per cent a year alcohol whisky which resulted in crown and intensely proud of last 24 hours.

13 deaths here at Christmas time, their membership in the empire, J. M. SHERIER, Meteorologist.

WILSON WILL Nobody Hurt by Naval Controversy, Senators Agree in All Reports U. S. CITIZE

officers were before the senate to-day. A majority report signed by he three Republican members of the committee, Senators Hale, Mc-Cormick and Poindexter, sharply criticized Secretary Daniels for not having fully advised officers as to his plans in making awards and asserted that his policy of decorating officers who lost their ships would be detrimental to the navy.

mell, the two Democratic members of the investigating committee. Each defended Mr. Daniels' course and directed their attacks at Rear Admiral Sims, who precipitated the that the father should look after letter to Senator Hitchcock of Ne- wrangle by criticizing the naval secretary's course.

reports agreed. The first was that hearings.

Washington, March 8.—Three sep- | no harm had come to naval mor

Postpone Inquiry.

It was agreed that the court would reconvene at such time as the course of the senate's naval committee's investigation of Ad- ico, is a captive in the hands of miral Sims' criticisms of the navy's Francisco Villa, held for \$50,000 war record, which opens tomorrow, ransom, according to passengers would permit the admiral to at- from southern Chihuahua, who tend the court's sessions.

arate reports from the naval sub-committee which recently investi-gated the controversy over the award of war decorations to navy officers were before the senate to Washington, March 8.-At Rear

Admiral Sims' request the naval court of inquiry appointed to investigate the removal of Rear Admiral William B. Fletcher from command of American naval forces at Brest by Admiral Sims in Oc-tober, 1917, adjourned today soon after meeting to organize.

Members of the court

Cooperative Kidnaping **Association in Mexico**

Washington, March S .- Discov-jin "the ignoble task of creating ery of a "cooperative kidnaping as- tries." sociation," having for its purpose "the kidnaping and holding for advices today from Mexico City.

the "association" also is engaged May 5.

Acting on the information pre

Americans," is announced by the the military commanders in the killed by a shot from Villa's pistol. Mexican foreign office, according to border states to break up the kidnaping organization. The government says it is believed the pro-The announcement says this moters of the kidnaping organiza-"unique company" is made up of tion are rebel agents who recently Mexicans and Americans on the circulated handbills advertising border, this statement being based the "Reorganized Government of on reports from various consular Free Mexicans," and another an officers. The foreign office says nouncing a coup planned for

MUTUAL TERMS OVER ADRIATIC WILL SUIT U. S.

Text of Wilson Note, However, Attack Poles and Finns, but It Is Makes It Clear No Third Nation Shall Suffer.

Washington, Sunday, March 7 .minutes on any single reservation While expressing satisfaction at forces have launched attacks except the two named. the "unaltered desire" of the al- against the Poles and the Finns on lied leaders to reach "an equitable the western and northern fronts, solution," President Wilson in his according to advices received. In leader, has been executed by Carlast note to the French and British premiers, accepts with reservations the proposal that Italy and ported to have launched a counter to the military commander here, today. He was captured Saturday last note to the French and Brit-

> Expressing the view that it constitutes more than a mere exchange of views and is in fact a statement of the principle, the president refused to agree to a withdrawal of the British-French-American memorandum of Dec. 9. At the same time he indicated his unalterable opposition to the execution of the terms of the treaty of London except insofar as the United States government "may be convinced that those terms are intrinsically just and are consistent with the maintenance of peace and settled order in southeastern Eu-

No Swap of Territory.

to the interests of any third nation. terms. the president declared he can not "possibly approve any plan which is deprived of elsewhere."

said, could not be included in the pola. proposed joint discussion.

If Italy and Jugo-Slavia, he said. prefer to abandon their allied buf- pursued 800 refugees who fied from proposed free state to the corpus jo at the approach of Russia soviet the supreme allied council by the to leave the determination of the and starving passengers. common frontier to Italy and Jugo-

Text Given Out. The text of the president's reply

to the premiers which now is be-ing considered by the supreme council at London, was made public here last night.

The Weather

Lloyd George, replying to questions | Fair tonight and Tuesday. Warmin the house of comomns today re- er Tuesday. The lowest tempergarding the suggestion that the ature tonight will be about 20 Highest yesterday, 17; lowest

last night, 12. Wind velocity, 12 miles per hour Precipitation, none. yester. yester. today

Dry bulb11

SOVIET FORCES LAUNCH DRIVE

Claimed That They Have Been Repulsed.

London, March 8 -Russian soviet which wrecked the engine,

Polish units holding the line running through the Pripet marshes south of Bobruisk are said to have been under attack at two points, the soviet armies advancing on the north and south sides of the marshes. Heavy red detachments were recently reported to have as sembled at Gomel, just east of the Pripet country, and it is probable against the Polish line. Poles Rejected Overtures.

It is recalled the Poles last week rejected overtures for an armistice panied by Mrs. Wilson, Rear Adpending peace negotiations, holding miral Grayson and Wilmer Bollthe bolsheviki would strengthen ing. Mrs. Wilson's brother. their lines during the time they are protected by the provisions of While he said he would gladly the truce. In the meantime, dele- the picture of health.

Finns Claim Gains. Helslagfors, March 7 .- The Finassigns to Jugo-Slavia in the nish general staff has received tographers from taking pictures northern districts of Albania ter- news that the white troops in the of the president. ritorial compensation for what she Murman region have penetrated the lines of the bolsheviki forces and sharp wind was blowing. Albanian questions, he further are approaching the town of Re-

Die Aboard Ship.

Constantinople, March 8.-Death

Proclaim Czar. London, Sunday, March 7 .-Proclamation of a new czar in the

NEGOTIATIONS ON RAILROAD WAGES **OPEN WEDNESDAY**

Washington, March 8.-Representatives of the railroad brother hoods and the roads will meet here Wednesday to begin negotiations of the Honduran congress of depu-looking to a settlement of the ties engaged in a pitched battle, wage demands of the 2,000,000 rail-during the third week of February. way workers. The machinery with there being 20 killed and wounded none.

12 m. 7 p. m. 7 a. m. the dispute is that provided for advices from Tegucigalpa and pubin the railroad bill.

War Veteran Is Held for Ransom After Bloody Fight in Mexico.

El Paso, Texas, March 8:-Joseph Williams, an employe of an American smelting and refining have arrived at Juarez. Williams. agreed who is an American citizen, served On two points all three of the unanimously today to hold open in the world war, and, suffering from the effects of German gas, was returning to the United States for treatment when the northbound Juarez train, on which he was traveling was held up Thursday morning last, near Corralitos, Chihuahua, 400 miles south of El Paso.

Casualties Heavy. In a battle between Villa's men and the train guard, ten of the bandits and 19 of the train guard were slain and the balance of the defenders, 50 in number, either sented by the foreign office, the wounded or driven off. The train war department, according to these and Pullman car conductors were ransom of foreigners, preferably advices, has issued instructions to among the dead, the latter being When the fighting ceased the bandits herded the passengers to a small hill near the track where Villa barangued them and threatened them with death. Later, according to eye witnesses, he broke into tears and told them he would spare their lives out of respect to

> geles, who recently was executed by the Carranza authorities at Chihuahua City. Left in Desperate Plight. Williams and an Arabian merchants, M. Nasar, were forced to accompany the bandits when they rode away, leaving the balance of the passengers marooned in a desolate country, bereft of their belongings and many of them without their clothing, which had been

the memory of General Felipe An-

taken by the robbers. According to R. J. Peltier, an American citizen resident of Mex-ico City, who was roughly handled, and threatened with death, the bandits numbered about 300. They stopped the train by placing s charge of dynamite on the track

Execute Rebel. Agua Prieta, Sonora, March 3.-Mateo Flores, a notorious rebel attack which has pierced the reds' in Tamaulipas, the state where he operated, given a speedy court martial and executed the same

night. PRESIDENT OUT; LOOKS HEALTHY

Washington, March 8-President Wilson went riding today in an open automobile. He was accom-

The president wore a heavy cloth overcoat and a golf cap. He looked approve a mutual settlement be- gates from the Baltic states are ex- second public appearance since he tween Italians and the Jugo-Slavs pected to meet at Warsaw next took to his bed last October after which would be without prejudice week to consider the soviet peace his western tour, but on his first ride last Wednesday he used a closed car.

The police again prohibited pho-A bright sun was shining, but a

PERSIANS SUBMIT

PLEAS TO ALLIES London, Sunday, March 7 .fer state and desire to limit the Novorossisk on the steamer Nava- Persia's case has been laid before separation of Fiume, placing the forces, after many had died of dis- Persian foreign minister, who is separation of the League of Na- ease, cold and starvation. The visiting this city, according to the tions, the United States is willing craft arrived here with emaciated London Times. It is believed the situation, so far as it relates to the

Turkish question, has already been

discussed by the allied premiers. Trans-Caspian province, is reported in a wireless dispatch from Mos-HITS CONGRESS: TWENTY KILLED

Mexico City, March 8 .- Members lished in El Universal today. Among those killed was Dr. Rowas wiped out by fire today, caustion led by General Tidurcio Garcia ing a loss estimated at \$500,000. against the Guiterrez government